IN THE SPECIFICATION

On page 13, kindly delete the first full paragraph (comprising lines 1-10) and substitute the following paragraph therefore:

A secondary merchant 110 preferably also comprises a server 111a, 111b (Fig. 2A) or a processor-based system. As shown, the secondary merchant 110 system includes processing power in the form of at least one Central Processing Unit (CPU) 230, Random Access Memory (RAM) 240, Read-Only Memory (ROM) 245, large capacity secondary storage 250, such as a disk array, and a communication interface device 255 for communicating via the internet according to known techniques. The secondary merchant CPU 230 interacts with RAM 240, ROM 245, and large capacity secondary storage250, to execute stored program code according to conventional data processing techniques to carry out the functions and acts described in connection with the secondary merchant 110.

On page 14, kindly delete the last full paragraph (comprising lines 12-21) and substitute the following paragraph therefore:

Payment clearinghouse 140 receives and validates customer payment when sent by a merchant. Clearinghouse 140 preferably comprises a credit card clearinghouse capable of verifying credit card status, and appropriately charging and refunding amounts to credit cards. Clearinghouse 140 receives the credit card information from secondary merchant 110 following a transaction or as part of a batch submission and transmits its response through secure transmission lines. In alternative configurations, clearinghouse 140 could authenticate charges and refunds for bank accounts, stored value cards or modules, or on-line wallet. Data communicated between secondary merchant 110 and clearinghouse 140 is preferably encrypted using conventional encryption techniques to ensure that third parties cannot misappropriate transmitted information.

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